

## OVERVIEW OF BUDGET

DEPARTMENT: PRESCHOOL SERVICES  
ADMINISTRATOR: ROBERTA YORK  
BUDGET UNIT: RSC HPS

### I. GENERAL PROGRAM STATEMENT

Preschool Services Department (PSD) has operated the Federal Head Start program and other childcare programs in San Bernardino County since 1965 providing comprehensive child development and family services to children, ages 3 to 5 years, of low income and disadvantaged families. As the primary program (87% of all funding), Head Start incorporates educational, health, nutritional, and psychological services in order to help children become ready to enter and succeed in school and life in general. Currently operating sites will provide childcare services at 40 sites throughout the county. Other programs operated by this department include State Preschool, General Child Care and Child and Adult Care Food Programs.

### II. BUDGET & WORKLOAD HISTORY

	<b>Actual 2001-02</b>	<b>Budget 2002-03</b>	<b>Actual 2002-03</b>	<b>Budget 2003-04</b>
Total Appropriation	32,631,728	36,768,311	38,011,785	37,487,002
Total Revenue	30,853,852	36,850,315	37,315,911	37,861,261
Fund Balance		(82,004)		(374,259)
Budgeted Staffing		653.7		575.8
<b><u>Workload Indicators</u></b>				
Average daily # of classes	283	315	287	282
Average daily # of children	4,352	5,122	4,503	4,370

PSD applied for and received authorization from the Federal Administration of Children and Families (ACF) to reauthorize \$1.66 million in expansion funds from 2001-02 to 2002-03. The Board of Supervisors approved the one-time rollover on August 13, 2002 (Item no. 35) to fund start-up costs such as facilities renovations, playground equipment, copiers, classroom equipment, classroom supplies and to provide salaries and benefits for expansion staff. The expansion sites include Adelanto, Apple Valley, Crestline, Joshua Tree, Upland and Victorville.

Actual workloads (avg. daily # of classes and children) for 2002-03 are under budget by 28 classes and 619 children due to various factors. There was a construction delay in opening several expansion sites and/or classrooms. Sites/classrooms licensed since February include: Adelanto, Apple Valley, Sivaland and Victorville. The Rialto Eucalyptus site was licensed in May 2003, and the Crestline site was licensed in July 2003. Additionally, the workload indicator for average daily # of children for the 2002-03 budget was overstated because 68 children enrolled in Sivaland's wrap-around program (a federal and state slot combined) were included twice.

### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

#### **STAFFING CHANGES**

Budgeted staffing has a net decrease of 77.9 positions. There was a zero net change in site supervisors, teachers and teacher aides (9 and 12 months), who were qualified and upgraded to level II positions based on a mid year Board item (July 23, 2002, #32) that approved six new classifications to compensate for the higher levels of education mandated by Head Start.

Other changes to teaching staff resulted in a net reduction of 51.9 budgeted staffing. A net increase of 14.7 budgeted positions was due to site expansion (1.5 Site Supervisor II-12 months, 3.5 Teacher II-12 months and 9.7 Teacher Aide II-12 months). A net decrease of 38.8 budgeted positions was due to deleting vacant positions that are no longer needed (7.4 Site Supervisor-9 months, 23.3 Teacher-9 months and 8.1 Teacher Aide-9 months), and a net decrease of 41.4 budgeted positions (Teachers-9 months) was due to a work hours reduction for part-day Teachers from 8 to 6 hours per day. The vacancy factor of 13.6 was eliminated.

## PRESCHOOL SERVICES

Changes to supporting staffing resulted in a net reduction of 26.0 budgeted staffing. A net increase of 6.2 budgeted positions was due to workload increase (1.5 Accounting Technician, 1.5 Food Service Worker-12 months, 1.0 Fiscal Clerk I, 1.0 Program Supervisor, 0.1 Program Aide-9 months, 0.1 Nurse, and 1.0 Eligibility Worker II). A net decrease of 30.9 budgeted positions was due to deleting vacant positions that are no longer needed (0.5 Eligibility Worker II, 7.5 Public Service Employee, 8.6 Custodian-9 months, 5.1 Food Service Worker-9 months, 3.5 Center Clerk-9 months, 2.0 Clerk III, 2.0 General Maintenance Worker, 1.0 Generalist-9 months, 0.1 Staff Analyst II, and 0.6 Custodian-12 months), and a net decrease of 1.3 Fiscal Clerk II positions that were transferred from PSD to HSS.

### **PROGRAM CHANGES**

The average daily number of classes and number of children served are expected to decrease in 2003-04 by 33 classes comprised of 564 children due to PSD's plan to implement new full-day program options.

PSD is committed to providing new full-day program options by combining Head Start and State Preschool funded slots based on the recommendations of the Head Start - State Collaboration Office (California Department of Education, Child Development Division) and in response to the changing needs of families. More low income and disadvantage families with young children now work or train full-time due to welfare reform and are therefore in need of full-time childcare services.

PSD's collaborative plan is twofold: (1) PSD will absorb 317 State Preschool slots into the existing Full Day Head Start Program, and (2) PSD will combine two part day slots – 3.5 hours each, comprised of 247 Head Start and State Preschool slots each. In both cases, children will be co-enrolled in Head Start and State Preschool programs. PSD operates a similar program at its Sivaland location where full-day service is provided to 72 co-enrolled children. In addition to the programs mentioned above, PSD will continue to provide part-day services to 3,802 children (including Delegate Agencies) and full-day services to 52 General Child Care children at the Mill Street site.

Due to the new program options (blending of federal and state slots) there will be a net cost savings of \$193,369. The new program options will result in a reduction through attrition of 15.1 budgeted teaching positions. In addition to salary savings, Preschool Services expects cost savings in transportation, food, classroom supplies and facilities (one or two sites) proportionate to the stated decrease in workload. A cost savings is also anticipated in the reduction of working hours for part-day teaching staff (from 8 to 6 hours per day) for children who attend class for 3.5 hours per day. The combined cost savings will be offset primarily by cost increases in MOU salary and benefits, unemployment insurance, workers compensation, and lease payments (CPI).

GROUP: Human Services System DEPARTMENT: Preschool Services FUND: Special Revenue RSC HPS			FUNCTION: Public Assistance ACTIVITY: Child Development		
	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<b><u>Appropriation</u></b>					
Salaries and Benefits	23,328,994	23,575,234	24,534,456	(630,666)	23,903,790
Services and Supplies	3,771,285	3,867,523	3,867,523	282,834	4,150,357
Central Computer	90,657	90,657	90,657	(4,877)	85,780
Other Charges	8,198,862	7,305,389	7,305,389	(334,438)	6,970,951
Equipment	487,711	-	-	-	-
Transfers	2,134,276	1,929,508	1,929,508	446,616	2,376,124
Total Appropriation	38,011,785	36,768,311	37,727,533	(240,531)	37,487,002
<b><u>Revenue</u></b>					
Use of Money & Prop	14,371	-	-	-	-
State, Fed or Gov't Aid	37,301,540	36,850,315	37,809,537	51,724	37,861,261
Total Revenue	37,315,911	36,850,315	37,809,537	51,724	37,861,261
Fund Balance		(82,004)	(82,004)	(292,255)	(374,259)
Budgeted Staffing		653.7	653.7	(77.9)	575.8

## PRESCHOOL SERVICES

### Total Changes Included in Board Approved Base Budget

Salaries and Benefits	603,399	MOU.
	292,558	Retirement.
	12,890	Risk Management Workers' Comp (classified employees only).
	50,375	Increase in California State Department of Education, Child Development Division, contracts for 2002-03. Approved by the Board on April 8, 2003, Item 25.
	<u>959,222</u>	
<b>Revenue</b>		
State, Fed or Gov't Aid	<u>959,222</u>	
Total Appropriation Change	959,222	
Total Revenue Change	959,222	
Total Fund Balance Change	-	
Total 2002-03 Appropriation	36,768,311	
Total 2002-03 Revenue	36,850,315	
Total 2002-03 Fund Balance	(82,004)	
Total Base Budget Appropriation	37,727,533	
Total Base Budget Revenue	37,809,537	
Total Base Budget Fund Balance	(82,004)	

### Board Approved Changes to Base Budget

Salaries and Benefits	(630,666)	Net decrease of \$583,504 is due primarily to staff reduction (77.9 budgeted positions) due to the new program options and the reduction of working hours for 9-month part-day teachers from 8 to 6 hours per day. Together, reductions will result in a savings of \$2,394,916 offset by increases in worker's comp for contract employees in the amount of \$662,289, and in MOU step raises and Level I / Level II step for the Site Supervisors, Teachers, and Teacher's Aides in the amount of 1,101,961.
Services and Supplies	(67,115)	Decrease in utilities due to the new program options resulting in the closure of one or two sites.
	(121,621)	GASB 34 Accounting Change (EHAP).
	(80,000)	Decrease in office expense - Outside vendors due to reduced spending because of the new program options.
	528,954	Increase in COWCAP costs primarily due to a rise in unemployment claims for 9-month employees.
	99,000	Increase in subscriptions for new Genesis System Support.
	(76,384)	Net decrease due to anticipated reduction of inventoriable equipment and other misc expenses.
	<u>282,834</u>	
Central Computer	(4,877)	Decrease anticipated in central computer charges.
Other Charges	(334,438)	Net decrease in other charges due to the anticipated reduction of the transportation and food services costs related to the new program options.
Transfers	446,616	Increases in transfers due primarily to Real Estate lease payment increase for \$219,459. Also, increases in charges from HSS, ITSD, and HR staff in the amount of \$105,536. GASB 34 Accounting Change (EHAP) \$121,621.
Total Appropriation	<u>(240,531)</u>	
Revenue		
State, Fed or Gov't Aid	<u>51,724</u>	
Total Revenue	<u>51,724</u>	
Fund Balance	<u>(292,255)</u>	